



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 2, 2019

FROM: FINANCE DEPARTMENT WARD: 2

**SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING FISCAL YEAR 2019-2020
LANDSCAPE MAINTENANCE DISTRICT 88-1 (SYCAMORE HIGHLANDS)
DIAGRAM AND LEVYING OF SPECIAL ASSESSMENTS**

ISSUES:

Conduct a Public Hearing for the purpose of receiving comments relative to the Fiscal Year 2019-2020 Landscape Maintenance District 88-1 assessments and adopt a resolution confirming the diagram and assessments for the Landscape Maintenance District No. 88-1 (Sycamore Highlands) contained in the Final Engineer's Report and approving the levy of assessments on all assessable lots and parcels of land therein for the Fiscal Year 2019-2020.

RECOMMENDATIONS:

That the City Council:

1. Conduct a Public Hearing for the purpose of receiving comments relative to the Fiscal Year 2019-2020 Landscape Maintenance District 88-1 assessments; and
2. Adopt a resolution confirming the Engineer's Report and establishing the diagram and assessments for the Landscape Maintenance District No. 88-1 (Sycamore Highlands) contained in the Final Engineer's Report and approving the levy of assessments on all assessable lots and parcels of land therein for the Fiscal Year 2019-2020.

BACKGROUND:

The City of Riverside formed Landscape Maintenance District 88-1 (Sycamore Highlands) under the provisions of the Landscaping and Lighting Act of 1972, in conjunction with a Development Agreement for the Highlander (Sycamore Highlands) project. In July 1997, per Proposition 218, a property owner election approved the continuation of the District. Community Facilities District 90-1 (Lusk-Highlander) financed the construction of the improvements within the District, which are at a level that exceeds normal City standards. The City then formed Landscape Maintenance District 88-1 (Sycamore Highlands) to recover the cost of maintaining the improvements above normal City standards from the property owners that receive the specific benefit of the improvements.

On February 5, 2019 the City Council adopted Resolution 23417 ordering the preparation of the attached Annual Engineer's Report for Landscape Maintenance District 88-1 (Sycamore Highlands). The report outlined the cost of maintaining the landscaping and administration of the District for Fiscal Year 2019-2020 as well as the method of apportioning the costs to the property owners within the District. The City assesses all parcels within the District annually, regardless of development status.

On June 4, 2019, the City Council adopted Resolution 23447 approving the Preliminary Annual Engineer's Report for Landscape Maintenance District 88-1 (Sycamore Highlands) and setting a public hearing for July 2, 2019 to approve the Final Annual Engineer's Report for Landscape Maintenance District 88-1 and authorizing the levy of special assessments within the District.

DISCUSSION:

The procedures of the Landscaping and Lighting Act of 1972 require the City Council hold a Public Hearing prior to the adoption of a resolution confirming the Annual Engineer's Report and establishing the Fiscal Year 2019-2020 annual assessments for Landscape Maintenance District 88-1 (Sycamore Highlands.) The District formation process set a maximum annual assessment with an adjustment based on the cumulative percentage increase, if any, in the Consumer Price Index for all Urban consumers (CPI-U) for the Los Angeles-Riverside-Orange County, California Standard Metropolitan Statistical area as published by the US Department of Labor Bureau of Labor Statistics ("the Bureau"). The Bureau has discontinued the original index, and replaced it with two (2) new indexes (Riverside-San Bernardino-Ontario and Los Angeles-Long Beach-Anaheim). Staff recommends using the Riverside-San Bernardino-Ontario index, as it most closely mirrors local assessed valuation changes.

Using the prior index, the adjustment was calculated based upon a combination of the cumulative increases in the original index as it was in December of each year over the base index of December 1996 of 158.3. In order to use the new Index, which publishes every other month, and which began at a scale of 100, staff recommends: 1) changing the escalation month to January; and 2) adding the cumulative increase of the new Riverside-San Bernardino-Ontario Index from the base of 100 in Fiscal Year 2018-19 to January 2019 (3.05%) to the ending cumulative index of the original Index (63.75%). Using this methodology, the maximum allowed assessment for Fiscal Year 2019-2020 is \$96.74 (\$58.00 base year multiplied by cumulative factor of 1.668 or 166.80%).

At the close of each fiscal year, staff review the assessments collected against actual expenses to determine if there is any unspent fund balance. The City can use available fund balance to reduce subsequent years' assessments. There is no excess fund balance predicted for the end of Fiscal Year 2018-2019. As detailed in the Annual Engineer's Report, the annual assessment for the 2019-2020 Fiscal Year will be \$95.93 per residential parcel.

FISCAL IMPACT:

The property owners are assessed the cost of maintaining the landscape improvements within the District at a level that exceeds City standards. The assessments are based on projected expenditures and cannot exceed the amount established in 1997/98 upon District formation, adjusted for changes in the CPI (cumulatively, 166.80%). In 2018/19, the estimated landscape

budget for the District was \$99,729 and the assessment per residential parcel was \$94.98. The 2019/20 estimated landscape budget for the District is \$100,730; the assessment per residential parcel will be \$95.93.

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Approved by: Carlie Myers, Deputy City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Resolution
2. Fiscal Year 2019-2020 Landscape Maintenance District 88-1 Engineer's Report
3. Resolution 23447 declaring intent to levy and collect assessment for FY2019-2020
4. Presentation